

The Wood-Ridge Borough Housing Plan Element And Fair Share Plan

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1.0 INTRODUCTION

Wood-Ridge Borough, as part of its adopted 2006 Master Plan Reexamination Report and previous master plan related documents, acknowledged the need to prepare a housing plan element that would serve as the basis for the Borough's substantive certification petition to the NJ Council On Affordable Housing (COAH). The Borough did in fact, in the early 1990's, submit a Housing Plan and Fair Share Plan to COAH. The Borough's affordable housing obligation, at that time, was determined to be **99 units**. It was further determined that, based on COAH's calculations, 29 of the 99 units were identified as the Borough's "indigenous" need. The Borough's position at that time, was that the 29 unit obligation would be met through a housing rehab program. However, the Borough decided that it could not meet the remaining 70 unit obligation, because of the lack of available vacant land and the inability to rezone any land for the purpose of providing affordable housing. The Borough in effect requested a "vacant land adjustment", which COAH subsequently rejected.

In response to that rejection, the Borough then proposed to COAH that an overlay zone be created for a portion of the Curtiss - Wright property, which would allow for the redevelopment of that property for residential purposes, with a percentage of the units to be set aside for low and moderate income residents. It should be mentioned that the Curtiss – Wright property at one time was a thriving industrial complex but by the 1990's most of the space was being used for warehousing purposes and was not generating many jobs or municipal tax revenue.

However, by the time this proposal was made to COAH, a new set of rules had been adopted by that agency and the Borough's obligation had been adjusted. Specifically, the total "pre credited need" obligation was determined to be **75 units**, of which 42 were determined to be related to the Borough's "indigenous" need.

COAH, however, in response to the overlay zone proposal raised a number of issues that the Borough was required to address before substantive certification could be granted. Wood- Ridge chose, at that time, not to respond to COAH's questions and withdrew the petition

for substantive certification. That petition, it should also be noted, had been submitted under COAH's "Second Round Rules".

In 2006, subsequent to the adoption of the Master Plan Reexamination Report, the Borough began the preparation of a Housing Plan and Fair Share Plan (The 2007 Housing Plan) that would adhere to COAH's original "Third Round Rules", which had been governing the affordable housing process in New Jersey since December 20, 2004. The Housing Plan was subsequently adopted in March of 2007 and it was filed with COAH at that time.

COAH's original Third Round Rules contained a new approach - **the growth share concept** – which has changed the entire approach to providing affordable housing opportunities in New Jersey. Now, instead of being assigned an affordable housing number by COAH (as per the prior round rules), a portion of a municipality's obligation is instead determined by how much it is projected to grow – both residential and non-residential growth – and ultimately how much it actually does grow.

The Borough was also required, in the 2007 Housing Plan, to still address the affordable housing obligation established by COAH's prior rules. That obligation included a responsibility to facilitate the rehabilitation of existing substandard housing units, as well as to provide for the "realistic opportunity" for the construction of new housing units, aimed at meeting some of the affordable housing need of the region. The new construction component is known as the **"prior round" obligation** and the other component is known as the **"rehabilitation" share**. The newer obligation as just noted – the third part of a municipality's total obligation - is known as the **growth share obligation**. Those three components were addressed in detail in the 2007 Housing Plan.

However, at the same time that the Borough filed the 2007 Housing Plan with COAH, litigation was initiated against the municipality by an affordable housing advocacy group, known as the Fair Share Housing Center. The basis for the litigation was that the Borough had not done enough to encourage the production of affordable housing in connection with a redevelopment project known as Wesmont Station. Consequently, COAH did not review the Housing Plan submitted by

Wood-Ridge and the Borough was not permitted to petition for substantive certification. A settlement of the litigation was finally reached in mid 2008 but by that time COAH was in the process of amending its Third Round Rules and was no longer accepting petitions for substantive certification. The Borough is now at a point, then, where it is required to revise the 2007 Housing Plan, as originally prepared in 2007, to conform to the changes in the rules enacted by COAH since that time.

It is also important to present in these introductory remarks, a complete historical perspective of the Borough's overall planning efforts during the last ten years or more. Specifically, not long after the Borough withdrew its petition for substantive certification under the prior rules, (circa 1997) the future of the former Curtiss – Wright industrial complex became the focus of much discussion and concern by Borough officials. The chronology of events associated with the Curtiss – Wright issue is discussed in detail in the Borough's 2006 Master Plan Reexamination Report. Suffice it to say, that the Curtiss – Wright matter, which ultimately evolved into the Wesmont Station mixed use redevelopment project, has consumed a great deal of the Borough's energies for a number of years. However, it should be made clear that the potential role that the Curtiss – Wright property could play in providing some affordable housing was never ignored. And when COAH adopted its original Third Round Rules, there was never any question that the Wesmont Station project would help bring Wood-Ridge into compliance with COAH's requirements. So, despite the litigation brought by the Fair Share Housing Center, it was always the intention for the Wesmont Station project to include a substantial number of affordable housing units.

Now, returning to the specifics of the Borough's affordable housing obligation, attributable to COAH's past rules, that obligation is divided into two categories as previously mentioned: 1) The **rehabilitation share**, which is normally addressed via the rehabilitation of existing substandard units 2) The **obligation from the prior rounds**, which is defined as a new construction requirement. It should be noted that, as a result of a change in the COAH formula, the Borough's obligation changed when the original Third Round Rules went into effect. Previously, in the early 1990's, as already noted, the Borough had an obligation of 99 units. That

number, as also noted, was subsequently reduced to 75. And then, with the adoption of the original Third Round Rules, the Borough's obligation associated with the prior round, was reduced to **58** – with the **rehabilitation component being 30 units** and the **new construction component being 28**. These numbers, together with the numbers associated with the growth share obligation, were addressed via the strategy contained in the 2007 Housing Plan.

Now, with the revisions to the Third Round Rules and the accompanying change in the formula related to the rehabilitation share and the prior round obligation, the Borough's numbers have increased from 30 to 61 for the rehabilitation share and from 28 to 38 for the prior round obligation. Beyond this increase, however, and more significantly, the new rules also impose a growth share obligation on the Borough far in excess of the growth estimate contained in the 2007 Housing Plan.

In the 2007 Housing Plan, it was determined that, based on known projects, the lack of vacant land and past trends, the Borough could expect to incur a growth share obligation of 101 affordable housing units. That number has now increased, based on COAH's numbers, to 171. So, the total obligation, then, has increased from 159, as described in the 2007 Housing Plan to 270, which must be addressed by this document. However, the Borough takes exception to the jobs projection number, as will be discussed later, which estimates that by 2018, there will be 1,940 new jobs within Wood-Ridge. This number is clearly inflated based on the small amount of vacant land, the zoning pattern of the community and past development trends. The residential projection of 249 new market rate units is more reasonable and may in fact be understated. However, virtually all of that new development is expected to occur within the confines of the Wesmont Station project, which at the moment is far behind schedule.

In short, this document – the 2008 Wood-Ridge Housing Plan and Fair Share Plan – will address the Borough's obligation, as determined by the revised Third Round Rules, via the use of several components, including but not limited to incorporating a substantial number of affordable housing units within the limits of the Wesmont Station project.

2.0 REGIONAL SETTING, DEMOGRAPHICS AND LAND USE FACTORS

2.1 OVERVIEW / REGIONAL SETTING

Wood-Ridge Borough is located in southwestern Bergen County and abuts Carlstadt along its southern border, Moonachie along its eastern boundary, Lodi and Hasbrouck Heights to the north and Wallington, plus a portion of South Hackensack, to the west. Also in close proximity to the Borough, but not touching it, are East Rutherford, Rutherford, Garfield, Teterboro and Little Ferry – all in Bergen County – and the City of Passaic in Passaic County. Exhibit 1 – the Bergen County Sectors map - depicts the location of the Borough in relationship to its immediate region. Of the aforementioned Bergen County municipalities, some but not all have obtained substantive certification from COAH in the past.

The Borough is 1.1 square miles in size, and consists of land which rises steeply towards the west from the Route 17 corridor and then descends to a lower elevation, as one moves toward Valley Boulevard. Beyond Valley Boulevard the terrain again rises and then descends again, as one approaches the Borough's border with adjoining Wallington. A 2002 aerial photo of the Borough, which depicts the existing road network, land development pattern and other physical features of the community, plus the relationship of the Borough to Route 17, is located in Appendix A of this document.

The Borough is almost fully developed and a large portion of the residential development in the Borough has taken place on the steeply sloped land that is encountered as you travel east to west. All of the Borough's existing housing units are served by public water and sewer facilities and most (68%) of these housing units are single family detached structures, however, two family and multi family structures are scattered throughout the Borough, with most of them located in the vicinity of Hackensack St, Valley Blvd and Moonachie Ave.

The Borough also has a modest commercial and industrial base. Most of the industrial uses – principally warehouse and low intensity

industrial activity – are found east of Route 17 and within the former Curtiss-Wright industrial complex, which is located on the western side of the community. The retail and service commercial uses are found in three areas of the Borough – the Route 17 corridor, Hackensack St and Valley Blvd. The businesses in the Route 17 corridor serve, as one would expect, a regional clientel, whereas the other two business districts primarily serve the local populace.

In summary, the Borough is typical of many older, suburban communities in Northern New Jersey. It's land use and zoning pattern is characterized by defined single family residential areas, a limited amount of light industrial development and a retail and service commercial sector, that continues to thrive in spite of the regional competition that exists in the form of shopping malls and “big box” operations. The character and fabric of the community are defined by this existing pattern and a goal of this housing plan document will be to preserve and protect the existing conditions that make Wood-Ridge what is today – a family oriented, quality environment that is viewed as a desirable place to live.

2.2 DEMOGRAPHICS – GENERAL INFORMATION

Wood-Ridge Borough was a sparsely settled area until the 1920's with a resident population, at that time, of 1,923 residents. The Borough's population increased rapidly from 1920 to 1930, when the census recorded a population of 5,159. The Borough continued to grow moderately until it reached a peak population of 8,311 in 1970. Then in 1980, for the first time, the Borough experienced a population decline with a total resident population of 7,929, according to the census data. The population declined again in 1990, when at that time the population was recorded as being 7,506 residents. In 2000, however, the census recorded 7,644 residents in the Borough, the first time in thirty years that the Borough experienced a population increase.

So, over the last fifty years the Borough experienced modest population gains for the first two decades, population declines over the next twenty years and a slight increase during the last ten years. The population estimate for the Borough in 2007 is 7,505, so it is possible that the 2010 census will again show that Wood-Ridge may

experiencing a population decrease, which would not be unexpected given the limited amount of residential development that has occurred and the fact that average family size continues to decrease. Exhibit 2 provides a history of the population growth associated with the Borough from 1950 to 2000.

EXHIBIT 2
POPULATION GROWTH

<u>Year</u>	<u>Population</u>	<u>Housing Units</u>
1950	6,283	not available
1960	7,984	“ “
1970	8,311	“ “
1980	7,929	2,835
1990	7,506	2,982
2000	7,644	3,087

Source: US Census

2.3 LAND USE RELATED FACTORS

There are several land use related factors that impact the affordable housing issue, as it relates to the Borough of Wood-Ridge. These factors include a number of zoning, environmental and infrastructure issues. First, as noted earlier, the Borough is almost fully developed and much of the existing development can be categorized as single family residential – with most of these single family homes being located on 50’ x 100’ lots.

Appendix B includes a generalized existing land use map of the Borough that depicts the existing development pattern within the community. That map clearly indicates the extent and location of the residential and non-residential development, in Wood-Ridge, and illustrates how the planning and zoning policies of the Borough have resulted in most of the land area of the community being devoted to single family residential development.

Appendix C includes the Borough’s Zoning Map which further graphically depicts the planning and zoning policies of the Borough. This map illustrates that most of the Borough is zoned for residential use. Specifically, there are three residential zones in the Borough – the

R1, R2 and R3. The R1 zone only permits single family detached residential structures. The R2 zone allows single family and two family residential development and the R3 allows multi family structures of three units or more. Single family and two family structures are not permitted in this zone. The R2 district is limited to an area along the east side of Hackensack St and the east side of Route 17. The R3 is limited to sections of Valley Boulevard, Hackensack St and Moonachie Ave. All of the R2 and R3 areas are fully developed. And as previously noted, most of the rest of the Borough is zoned R1 – Single Family Residential. The R3 zone allows a density of up to 18 units per acre. The R1, by comparison requires a minimum lot size of 5,000 sq ft, which translates into an equivalent density of about 8 units per acre. The R2 zone also requires a minimum lot size of 5,000 sq ft but because two units are allowed on each lot the equivalent density is about 16 units per acre.

The Zoning Map also indicates that there are several non residential zoning districts within the Borough. They are the RB, GB and NSC zones – which are all retail commercial districts. In addition there are two industrial zones, the LIP and ORL. Finally, there is a zone that designates locations for parking lots. This is the OSP or Off Street Parking Zone. These zones are located along the major roadways within the Borough – Valley Boulevard, Hackensack St and Route 17 – and also to the east of Route 17 and to the south of Passaic Ave.(the former Curtiss-Wright industrial complex). These zoning districts, as just noted, allow a variety of commercial and industrial uses. A list of the permitted uses allowed in these districts is included in Appendix D.

In addition to the aforementioned zones, the Borough has also established a designated redevelopment area located to the south of Passaic Ave and to the north of Highland Ave. This area, as already noted, has been the subject of much planning activity during the last several years and the Wesmont Station project has been approved for this location by the Wood-Ridge Planning Board. This redevelopment area has effectively replaced the ORL zone and the NSC zone, although the zoning map has not been changed to reflect that fact. Appendix E delineates the redevelopment area and depicts the various zones that comprise the area. In summary, the redevelopment area has been divided into four “zones”, the T-1, T-2, T-3 and T-4. And

the site plan that has been approved for this location is based upon and is consistent with the provisions of the redevelopment plan, in general, as well as the specific requirements associated with each of these zones.

Finally, with respect to some other factors that have had and / or will continue to have an influence on development activity and the land use policies of the Borough, there are several infrastructure issues that require some discussion. These issues also have a direct relationship to the affordable housing considerations that are pertinent to the Borough. Specifically, these infrastructure issues include the road network, the sanitary sewerage collection system, the stormwater drainage network and the potable water supply.

In terms of the road network, most of the Borough is serviced by a vehicular transportation system consisting of two lane roads – one lane in each direction. The exceptions to this description are portions of the major thoroughfares and Route 17, in its entirety, as it traverses the Borough. Clearly, the road network of the Borough is limited in terms of the amount of traffic that can be handled safely and that translates into a limitation on the density of development that is appropriate. However, in terms of public transportation capabilities there is one existing rail station in the Borough (adjacent to Route 17) and another is planned in connection with the Wesmont project. There are also bus routes that use Hackensack St. Nevertheless, accessibility to public transportation in the Borough is limited and the zoning of the Borough has taken this limiting factor into consideration in determining the allowed densities in the residential zones.

In terms of the other infrastructure issues, the providers of sewage disposal and water supply facilities – the Passaic Valley Sewerage Commission, the Bergen County Utilities Authority and United Water, all indicate that there is sufficient capacity associated with their systems to accommodate additional growth. The limiting factor in certain areas of the Borough, however, may be the pipes in the ground, which in some cases may be undersized or in other instances may be in need of replacement, because of their age and condition. The same is true of the stormwater drainage system, which although

in generally good condition, contains some problem areas. The source of these brief remarks, about the details associated with these infrastructure elements, is the Borough Engineer.

3.0 THE NJ COUNCIL ON AFFORDABLE HOUSING AND THE AFFORDABLE HOUSING OBLIGATION

3.1 OVERVIEW

Over the past twenty years, the courts and legislature in New Jersey have wrestled with the following question: “What obligation does a municipality have to provide affordable housing for its current and future citizens?” After the New Jersey Supreme Court’s 1975/1983 “Mount Laurel” rulings which concluded that municipal zoning must provide realistic opportunities for low and moderate income housing, the State Legislature passed and the Governor signed, the New Jersey Fair Housing Act (Chapter 222, Laws of 1985).

The Fair Housing Act established a nine member Council On Affordable Housing (COAH). The Council is required to promulgate a set of procedures and guidelines to assist municipal governments in meeting their responsibility under the Fair Housing Act.

In order to best determine each municipality’s affordable housing obligation, COAH divided the State into six housing regions. The regions were defined by correlating residential areas to the predominant employment centers for residents of those areas. Wood-Ridge Borough now lies within the Northeast Region (Region 1), as defined by COAH. This region includes Bergen, Passaic, Hudson and Sussex Counties.

Under the Fair Housing Act and the Municipal Land Use Law, each municipality has the obligation to prepare a housing plan element. The Municipal Land Use Law concisely defines the housing plan element as follows:

“A housing plan element, pursuant to ...[the State Fair Housing Act], including, but not limited to, residential standards and proposals for the construction and improvement of housing. The State Fair Housing Act makes clear that the municipal housing element is to focus on affordable housing needs: A municipality’s housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing... .”

Municipalities in New Jersey, for a number of years now, have had a two-part constitutional housing obligation under the *Mount Laurel* doctrine, first articulated in 1975 and reaffirmed in 1983 by the New Jersey Supreme Court. First, municipalities must provide a realistic opportunity for decent housing for their poor residents, except if the municipality has a disproportionately large portion of such households compared with its region. This part of the obligation has been typically addressed by rehabilitating existing substandard housing occupied by low and moderate income households.

Second, municipalities were required, under the regulations that preceded the current third round rules, to provide a realistic opportunity for the construction of their fair share of the regional need for low and moderate income housing. This part of the obligation has typically been addressed by inclusionary zoning that provides a density bonus for new residential development with a mandatory set-aside of new housing that is affordable to low and moderate income households. Under the third round rules, as discussed previously, the regional need concept has been supplanted by the “growth share” concept which determines a municipality’s obligation based on how much growth a municipality anticipates and ultimately absorbs.

As already noted in Section 1.0 of this document, under COAH’s Third Round Rules, the regional need concept has been supplanted by the “growth share” concept, which determines a municipality’s new construction obligation based on how much growth a municipality anticipates and ultimately absorbs within its boundaries. At the time of the preparation of this document, the Third Round Rules, as amended by court challenges and legislative action that occurred between 2006 and 2008, are still under attack. Consequently, to what extent the growth share approach and other provisions of the Third Round Rules may be further changed as a result of litigation or legislation is not known. However, given the fact that COAH has imposed a December 31, 2008 deadline for the submission of housing plans, it has been determined that it will be in the Borough’s best interests to comply with that deadline. Nevertheless, this document may need to be modified in the future depending on what additional challenges and / or rules changes occur that may make this housing plan obsolete.

3.2 THE HOUSING PLAN COMPONENTS

The current COAH regulations require that the housing plan element include the components identified in the NJ Municipal Land Use Law, plus additional components needed to address the growth share obligation. A summary of the required components follows:

1. An inventory of the municipality's housing stock.
2. An analysis of the municipality's demographic characteristics.
3. A projection of the municipality's housing stock.
4. An analysis of the probable future employment characteristics of the municipality.
5. An analysis of the municipality's zoning districts.
6. A determination of the municipality's second round and third round obligations.
7. The identification of those properties that are most appropriate for the construction of low and moderate income housing.

3.3 THE SUBSTANTIVE CERTIFICATION PROCESS

A municipal housing plan must first be adopted by the Planning Board before any submission is made to COAH. This adoption process in effect makes the housing plan a component of the municipal master plan. At this juncture the housing plan can be filed with COAH and as a result of that filing process, the municipality then comes under COAH's jurisdiction and is protected from any affordable housing legal action that may be brought against the municipality. However, simply filing the housing plan with COAH does not begin the process leading toward substantive certification. In order for that process to begin, the governing body of the municipality must petition COAH. This petitioning action results in an extensive review process and a series of public hearings and ultimately in the certification of the

housing plan and fair share plan of the municipality. Once certified, the municipality's housing plan will be valid until 2018, when presumably COAH will either readopt its current growth share approach or replace it with a different set of regulations.

It should also be noted here that although the primary purpose today in preparing a housing plan is to address a municipality's COAH obligation, it can do more than that. A housing plan is intended to be part of the comprehensive planning efforts of a community. Consequently, it must be remembered, that as the housing plan is formulated, it can address issues which go beyond the specific set of requirements established by COAH. Such issues can include matters like possible locations for age restricted, market rate housing, precautions that should be taken in connection with the construction of new residential units in older established neighborhoods and the housing needs of those individuals and families who earn too much income to qualify for COAH housing but not enough to compete in the existing marketplace.

The revised Third Round Rules are complicated and there are a variety of ways that a municipality can meet its affordable housing obligation. Furthermore, there are various requirements, exceptions, limitations and other standards that every housing plan and fair share plan must address. The most important of all of the requirements contained in the revised Third Round Rules involves how many affordable units are required based on the amount and type of growth that a municipality absorbs between 2004 and 2018. Specifically, any new residential development within a municipality is subject to a 5 : 1 ratio. This means that for every four market rate units built, the municipality must provide for the realistic opportunity that one affordable unit will be constructed somewhere within the community. Likewise, new non-residential development generates an obligation which is based on the number of jobs created by that development. That obligation is based on a ratio of 16 : 1..... or for every 16 jobs created, the municipality must provide for the realistic opportunity of one affordable unit being constructed somewhere within the community. The term "realistic opportunity" is very important because it means that COAH and the courts will not accept any housing plan that does not appear to be realistic in terms of the production of affordable housing. On the other hand, there is nothing

in COAH regulations that requires that a municipality actually be directly involved in the production of those units.

So, COAH has direct involvement in how a municipal housing plan and fair share plan is structured, based on the provisions contained within the revised Third Round Rules. However, it is still within the municipality's power to shape a plan that is in the best interests of the community. This document, then, The Wood-Ridge Borough Housing Plan and Fair Share Plan is being shaped to meet both the legal standards as promulgated by COAH and the planning goals and objectives of Borough, as they relate to land use, economic development, historic preservation and a variety of other matters directly related to the affordable housing issue.

4.0 HOUSING INVENTORY

Wood-Ridge Borough, as of the 2000 Census, contained 3,087 housing units. This includes some rental apartments but mostly single family detached homes.

As with most municipalities, the housing stock of Wood-Ridge Borough is a mix of old and new, single and multiple family, owner and renter occupied. Exhibits 3 to 8 provide the characteristics of the Borough housing stock as it existed in 2000. Some totals may be different, because some questions included on the census forms were only answered on a sample basis and then projected to reach a municipal total. Exhibit 3 specifically provides data that pertains to total number of units, vacancies and the split between owner and renter occupied units.

EXHIBIT 3 **HOUSING UNITS BY TENURE**

Total Housing Units	3,087
Occupied Housing Units	3,024
Owner Occupied	2,331
Renter Occupied	693
Vacant	63

Source: 2000 US Census

Exhibits 4 and 5 provide the general age distribution and type of housing units located in the Borough as of 2000.

EXHIBIT 4 **AGE OF STRUCTURE**

<u>YEAR BUILT</u>	<u>NUMBER OF UNITS</u>
1995 – 2000	39
1990 – 1994	48
1980 – 1989	135
1970 – 1979	246
1960 – 1969	414
1940 – 1959	1,136
1939 or earlier	1,070
TOTAL	3,087

Source : 2000 Census

EXHIBIT 5
TYPES OF STRUCTURES

<u>TYPE</u>	<u># OF UNITS</u>	<u>PERCENTAGE</u>
Single family, detached	2,104	68.1
Single family, attached	81	2.6
Duplex	345	11.2
Three and four units	237	7.7
Five to nine units	51	1.7
Ten to nineteen units	136	4.4
Twenty or more units	134	4.3
Mobile homes or trailers	0	0.2

Source: 2000 Census

The preceding data indicates that a substantial amount of the residential construction activity occurred during the period before 1960, with approximately 2,200 of the Borough's 3,088 units built before that date. So, since 1960, just under 900 units have been added to the Borough housing stock, with many of the Borough's multi family units built during this time frame.

However, even though more than two thirds of the Borough's housing stock is over 45 years old, and in many cases 60, 70 and 80 years old, most of the housing is in good condition. This is attributable to the fact that many residential structures over the years have been the subject of upgrades and expansions that have prevented most of these older residential structures from deteriorating

In addition to the age of the housing stock, the value of a unit is important in determining its availability to various segments of the housing market. The same is true regarding the range of rental costs. Exhibits 6 and 7 provide the market value of owner occupied structures and the value by contract rent, of renter occupied units.

EXHIBIT 6
OWNER OCCUPIED UNITS BY MARKET VALUE

<u>Value</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	10	0.5
\$50,000 to \$99,999	22	12.1
\$100,000 to \$149,999	142	7.1
\$150,000 to \$199,999	907	45.2
\$200,000 to \$299,999	835	41.6
\$300,000 to \$499,999	89	4.4
\$500,000 to \$999,999	0	0.0
\$1,000,000 or more	0	0.0
Total:	2,005	100.0
Median (dollars)	196,800	
<i>Source: 2000 Census</i>		

EXHIBIT 7
RENTER OCCUPIED UNITS BY GROSS RENT

<u>Gross Rent</u>	<u>Number</u>	<u>Percent</u>
Less than \$200	10	1.4
\$200 to \$299	8	1.2
\$300 to \$499	0	0.0
\$500 to \$749	77	11.1
\$750 to \$999	271	39.1
\$1,000 to \$1,499	280	40.4
\$1,500 or more	18	2.6
No cash rent	29	4.2
Total:	711	100.0
Median (dollars)	966	(X)
<i>Source: 2000 Census</i>		

It is important to note, however, relative to the data in Exhibits 6 and 7 that since April of 2000 when the 2000 Census was taken, housing costs in Wood-Ridge, as well as throughout most of New Jersey, increased substantially and along with that increase in value, there has been a corresponding increase in rents. It was estimated that as of the date of the Borough's 2007 Housing Plan, the median market value for a Wood-Ridge house was \$ 450,000 and the average cost associated with a rental unit was over \$ 1,200 per month. However, beginning in 2007, the devastation experienced by the real estate market nationwide has undoubtedly had some impact on property values in Wood-Ridge. The extent to which this has affected the median value of a home in the Borough or the median rent figure is

unknown at this time and will probably not be known within any certainty until the 2010 census data has been analyzed and released.

Housing conditions, of course, are not defined solely by cost or type of unit or by the age of structure. Decent housing must have complete plumbing facilities, a heating plant, be in a reasonable state of repair, and not be overcrowded.

Overcrowded and substandard housing conditions include:

1. Occupancy by more than 1.01 persons per room.
2. Lack of complete plumbing facilities for exclusive use.
3. Physical dilapidation.
4. Age greater than 40 years.
5. Lack of a proper heating plant.

A residence meeting any two of the aforementioned criteria is considered substandard. Exhibits 8 and 9, which follow, provide data about substandard and overcrowded conditions as of 2000.

EXHIBIT 8
SELECTED CHARACTERISTICS

Lacking Complete Plumbing Facilities	37
Lacking Complete Kitchen Facilities	45

Source: 2000 Census

EXHIBIT 9
OCCUPIED HOUSING UNITS BY PERSONS
PER ROOM

1.00 or fewer	3,005
1.01 – 1.50	6
1.51 or more	14

Source: 2000 Census

The aforementioned data indicates that in 2000 there were a number of households (20) which were overcrowded. As for units lacking complete plumbing facilities, there were 37 such units identified in the 2000 census. This figure seems unusual for a community like Wood-

Ridge but obviously corresponds with the number of units that COAH indicates are in need of rehabilitation. Further investigation should be undertaken, using the expertise of the Construction Official and his records, to determine if this number is in fact accurate

Another issue related to the topic of housing involves determining, on average, what housing might be available to persons of low or moderate income. In order to do so we need to look at value, rent, and income. (Income data is presented in section 5.0 of this document). The following calculations indicate that a significant segment of the population, in 1999 had incomes insufficient to secure housing at the median value.

Median Value Home	\$196,800
Down Payment (10%)	\$ 19,600
Mortgage	\$177,200
30 Year Mortgage Annual Payment	<u>\$ 22,400</u>

A housing payment should be no more that 28% of gross income.

The median Borough family income in 1999 was \$ 60,949. Of the 2,184 families in Wood-Ridge then, approximately 60 percent could not afford the median priced home. Obviously, in the last six years incomes have risen but generally housing costs have risen faster. Presumably, many residents in the Borough – particularly senior citizens - could not afford to own a home in Wood-Ridge if they had to purchase it today.

The preceding paragraph focused on home ownership but just as important are considerations relative to those residents who are forced to or choose to rent. The median rent in 1999 was \$966 per month in Wood-Ridge. Using this figure, and 30% of income for shelter, the median rental opportunity would be available to families with an annual income of \$38,640 or more. Based on 2000 census data, it is estimated that up to 15% of Borough families had incomes of less than \$ 38,640 per year. Again, since 2000 incomes have increased but so have rents. It is difficult, then, to say if there are still as many families in the Borough today who do not generate enough income to support a median rent, without expending more than the 30% of their income.

As already noted, 30% is generally recognized as being the maximum that should be spent on rental costs.

In addition to the aforementioned data, Exhibit 10 delineates the percentage of the population of families at or below the poverty level.

EXHIBIT 10
FAMILIES AND PERSONS BELOW POVERTY LEVEL

<u>FAMILIES</u>	<u>PERCENT</u>	<u>PERSONS</u>	<u>PERCENT</u>
18	0.8	119	1.6

It is well documented that lower income persons and families are the least mobile within any area. So, considering the sharp increase in the market values of houses and market rents, it can be reasonably assumed that the status of the indigenous poor population, with respect to housing affordability, has probably worsened.

5.0 POPULATION AND INCOME ANALYSIS

As already noted in section 2.2, the 2000 census count determined that there were 7,644 residents in the Borough at that time. The 2000 Census also provides a detailed analysis of the characteristics of the Borough population. Exhibits 11A, 12 and 13 provide some of that data which can be summarized as follows:

The total Borough population increased slightly (an increase of 138 residents) between 1990 and 2000. And in terms of the number of people in each age group, the 2000 figures are still reasonably similar to the 1990 census data. However, the Borough population continues to age. In 1990 the median age was 38.9 and 40.3 in 2000. In comparison the Bergen County median age in 2000 was 39.1 and for New Jersey it was 36.7. Persons 65 years and older still represent a relatively small percentage of the total population (6.8%) in Wood-Ridge but the 55 to 64 cohort has increased from 5.4 to 9.0% and the under 9 cohort has declined from 16.1 to 14.8%. Exhibit 11B provides some information about the Borough population from the 1990 Census.

In terms of income data, the median income per household was \$ 60,949 in 1999 and the number of social security recipients increased from 811 in 1989 to 979 in 2000, while during that same time the number of public assistance recipients declined from 82 to 37.

With respect to some other population and income information not provided in Exhibits 11A, 11B, 12 & 13, the 2000 census indicates that the Borough is overwhelmingly white, with 7,044 residents (92.2%) in that category. Black or African American residents accounted for 1% of the population and Asians 5.5%. The 2000 Census also found that 7.3%, or 556 residents, of the Borough population were of Latino heritage. The average household size was determined to be 2.53 residents per household, with owner occupied

units having a slightly higher average size (2.71) and renter occupied units being lower (1.92).

EXHIBIT 11A
PERSONS BY SEX AND AGE-2000

<u>SEX AND AGE</u>	<u>NUMBER</u>	<u>PERCENT</u>
Male	3,632	47.5
Female	4,012	52.5
Under 5 years	467	6.1
5 to 9 years	473	6.2
10 to 14 years	444	5.8
15 to 19 years	331	4.3
20 to 24 years	315	4.1
25 to 34 years	1,017	13.3
35 to 44 years	1,423	18.6
45 to 54 years	1,151	15.1
55 to 59 years	379	5.0
60 to 64 years	347	4.5
65 to 74 years	686	9.0
75 to 84 years	458	6.0
85 years and over	<u>153</u>	<u>2.0</u>
Total	7,644	100.0
Median age (years)	40.3	
18 years and over	6,021	78.8
Male	2,805	36.7
Female	3,216	42.1
21 years and over	5,876	76.9
62 years and over	1,500	19.6
65 years and over	1,297	17.0
Male	529	6.9
Female	768	10.0

Source: 2000 Census

EXHIBIT 11B
PERSONS BY AGE - 1990

<u>AGE</u>	<u>TOTAL</u>
0 - 4 years	420
5 - 9 years	315
10 - 14 years	390
15 - 19 years	396
20 - 24 years	502
25 - 34 years	1,051
35 - 44 years	1,193
45 - 54 years	850
55 - 59 years	435
60 - 64 years	347
65 - 74 years	705
75 - 84 years	424
85 years and over	95
TOTAL	
Median Age	40..3

Source: 1990 Census

EXHIBIT 12
HOUSEHOLD AND FAMILY INCOME

<u>INCOME IN 1999</u>	<u>FAMILIES</u>		<u>HOUSEHOLDS</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Less than \$10,000	18	0.8	112	3.7
\$10,000 to \$14,999	12	0.5	91	3.0
\$15,000 to \$24,999	105	4.8	198	6.5
\$25,000 to \$34,999	120	5.5	214	7.1
\$35,000 to \$49,999	316	14.5	500	16.5
\$50,000 to \$74,999	559	25.6	720	23.8
\$75,000 to \$99,999	437	20.0	488	16.1
\$100,000 to \$149,999	451	20.7	536	17.7
\$150,000 to \$199,999	122	5.6	128	4.2
\$200,000 or more	44	2.0	44	1.5
Total:	2,184	100.0	3,031	100.0

Median household income (dollars): \$ 60,949

Median family income (dollars): \$72, 500

Source: 2000 Census

EXHIBIT 13
HOUSEHOLDS WITH INCOME IN 1999
BY INCOME TYPE

	<u>TOTAL HOUSEHOLDS</u>	<u>MEAN \$</u>
• Mean Earnings	2,530	\$72,725
• Mean Social Security	979	\$13,849
• Mean Public Assistance	37	\$ 2,927
• Mean Retirement Income	670	\$ 15,224

Source: 2000 Census

6.0 EMPLOYMENT CHARACTERISTICS

Wood-Ridge Borough has experienced some economic growth in recent years but the community's relatively modest non residential base has produced fewer job opportunities than other parts of the region. This fact is reflected in the relative lack of new construction (both residential and non-residential) and the fact that the mean travel time to work was 26.2minutes. It should also be noted that based on data available for the year 2000, there were 2,290 jobs based in the Borough at that time. This compares with an estimated 4,086 Borough residents who were in the labor force during that same period.

However, of some interest, because it is a growing national trend, is the fact that the 2000 census counted 28 residents, out of a total potential workforce of 4,086, who worked from home. As commuting times continue to increase in the years ahead, it is quite possible that there will be a significant increase in this number. On the other hand, the mass transit capability that will be added in connection with the Wesmont Station project may continue to keep this number low.

Exhibits 14 to 17 describe the labor force in Wood-Ridge in some detail.

EXHIBIT 14 **LABOR FORCE STATUS**

	<u>TOTAL</u>
Labor Force:	
Armed Forces	0
Civilian employed	3,952
Civilian unemployed	134
Unemployment rate	3.3%
In labor force	4,086
Not in labor force	2,085

Source: 2000 Census

EXHIBIT 15
EMPLOYED CIVILIAN POPULATION

<u>OCCUPATION</u>	<u>NUMBER</u>	<u>PERCENT</u>
*Management, professional and related occupations	1,563	39.5
*Service occupations	376	9.5
*Sales and office occupations	1,227	31.0
*Farming, fishing, and forestry	0	0.0
*Construction, extraction, and maintenance	334	8.5
*Production, transportation, and material moving	452	11.4
TOTAL:	3,952	100.0

EXHIBIT 16
EMPLOYED CIVILIAN POPULATION

<u>INDUSTRY</u>	<u>NUMBER</u>	<u>PERCENT</u>
*Agriculture, forestry, fishing and hunting, and mining	0	0.0
*Construction	184	4.7
*Manufacturing	487	12.3
*Wholesale trade	233	5.9
*Retail trade	505	12.8
*Transportation and warehousing, and utilities	313	7.9
*Information	240	6.1
*Finance, insurance, real estate, and rental and leasing	402	10.2
*Professional, scientific, management administrative, and waste management services	327	8.3
*Educational, health and social services	717	18.1
*Arts, entertainment, recreation, accommodation and food services	163	4.1
*Other services (except public administration)	163	4.1
* Public administration	218	5.5

EXHIBIT 17
EMPLOYED CIVILIAN POPULATION

<u>CLASS OF WORKER</u>	<u>NUMBER</u>	<u>PERCENT</u>
*Private wage and salary workers	3,072	77.7
*Government workers	656	16.6
*Self-employed workers in own not incorporated business	219	5.5
*Unpaid family workers	5	0.1

Generally, the 2000 Census data presented in Exhibits 14 to 17, indicates that the residents of Wood-Ridge, who were in the labor force, were entirely employed in the civilian sector, and 77.7% were private sector wage and salary workers, with another 16.6% employed by government. White collar positions (management, professional, office etc.) were occupied by 70% of the labor force, while various construction, production and service occupations accounted for the remainder. In terms of what industry categories employed Borough residents, the four leading categories were educational, health and social services – 18.1%; manufacturing -12.3%; retail trade – 12.8% and professional, scientific management etc – 10.2%. All other categories were below 10%.

7.0 TRENDS AND PROJECTIONS

7.1 INTRODUCTION

COAH's Third Round Rules, as amended during 2008, are based on legal challenges and legislative action that occurred during 2007 and 2008. Those rules require municipalities to estimate the "growth share" obligation that is likely to result from both residential and non-residential development anticipated to occur between January 1, 2004 and January 1, 2018. COAH has established a specific set of procedures to follow in calculating the required projections and this section complies with those procedures.

COAH has established the residential growth projections and the increase in the number of jobs for the Borough, for the 2004 to 2018 time frame, as part of the amended Third Round Rules. These numbers are presented in Section 7.2, together with some observations and comments. Certificates of occupancy and demolition data for the Borough, for both residential and non-residential development, during the last ten years, prior to 2004 have also been tabulated. Finally, a review has been undertaken of all approved projects (that have not yet obtained certificates of occupancy), pending projects and any other anticipated or projected development activity that could be completed prior to 1/1/18.

One final note with respect to the issue of growth projections, involves an overlay zone that was previously established by the Borough just to the west of the Wesmont Station Redevelopment Area and which was mentioned in the Borough's 2007 Housing Plan. The reason for the establishment of the overlay zone had more to do with the proposed train station to be located there and some limited commercial facilities associated with the station than with any imminent residential development. This area is under the ownership of the developer in control of the Wesmont project and it is not anticipated that this overlay zone area will be the subject of much development activity until the Wesmont project is well under way and headed toward completion. Consequently, this overlay zone area has not been factored into the Borough's growth projections for the time frame 2004 to 2018. The area is currently used for industrial purposes

and will continue to be so used for the foreseeable future. At such time as it is reasonable to incorporate this acreage into the Borough's growth projections, this document will be revised accordingly.

Furthermore, as stated at the beginning of this document, the entire Wesmont Station project is significantly behind schedule as the result of problems associated with the environmental cleanup of the site, litigation initiated by an affordable housing advocacy group and the collapse, in 2008, of the real estate market nationwide.

7.2 COAH PROJECTIONS 2004 TO 2018 - RESIDENTIAL AND NON- RESIDENTIAL

The residential growth projections established by COAH as part of the Third Round Rules indicate that by 2018 the Borough will accommodate 249 new market rate units. The Borough does not dispute this figure but as stated previously this number will only be reached if the Wesmont Station project moves ahead on a reasonable schedule. If market conditions slow or stop that project there is no possibility that the 249 figure will be reached. Wood-Ridge is essentially a fully developed community. There are still some opportunities for in-fill development in the Borough but that type of development will yield less than several dozen market rate units by 2018, not the hundreds anticipated in the COAH projection. More about this issue will be discussed in Section 7.4.

In terms of non-residential growth projections, the COAH projection anticipates that the Borough will accommodate 1,940 new jobs by 2018 or well over 125 new jobs per year. The COAH projection does not specify what land use categories will generate these jobs, nor does the projection provide any information about the actual amount of new non-residential building area that will be constructed. Suffice it to say that this number is completely unrealistic given previous growth trends, the lack of available vacant land and the planning policies of the community. In addition to being a fully developed municipality, the Borough is also primarily a residential community. Except for some limited industrially and commercially zoned acreage in the vicinity of Route 17, there is just no place for additional job producing land uses to be accommodated within the Borough to the extent suggested by the COAH job projection. The former Curtiss- Wright

industrial complex does currently accommodate various businesses that employ several hundred people but there are no plans and no possibility that this acreage will generate a significant number of new jobs. And the portion of the former Curtiss-Wright complex – now Wesmont Station - that has been designated as an area in need of redevelopment, has been approved as a residential project with a small commercial component. Again, the amount of commercial floor space associated with this project will at best result in dozens of new jobs, not hundreds. More about this matter will be discussed in Section 7.5

It is not feasible, at this time to seek a vacant land adjustment in order to reduce the jobs projection figure established by COAH. Instead, the Borough contends that a jobs growth figure of 100 is more realistic and is based on the analysis and NJTPA figures contained in the Borough's 2007 Housing Plan.

7.3 RESIDENTIAL AND NON RESIDENTIAL GROWTH TRENDS - 1996-2004

The residential population of the Borough of Wood-Ridge, as noted earlier, did not grow significantly between 1980 and 2000, based on available census data. The building permit, certificate of occupancy and demolition permit data for a portion of that time frame, reflects that fact. That information is depicted in Exhibit 18.

EXHIBIT 18 **RESIDENTIAL TRENDS IN NUMBER OF UNITS**

	1996	1997	1998	1999	2000	2001	2002	2003	2004
CO's Issued	5	4	3	5	3	3	2	3	4
Demolitions	1	1	2	0	0	1	0	2	6
Net	4	3	1	5	3	2	2	1	-2

Exhibit 18, then, indicates that the net number of housing units added to the Wood-Ridge housing inventory, between 1996 and 2004, was a total of 21 or 2.6 per year. The net number of units in 2004 was actually a minus number, with 6 demolitions and 4 new CO's. So, during the 1996 – 2004 time frame, the net total number of new units

created was 19, which would have generated an affordable housing obligation of 2 or 3 units.

During the time frame encompassed by 2005 to mid 2008, there has been a slight increase in the amount of residential development. Specifically, CO's have been issued for 24 new housing units or approximately 6 per year. However, during that same time frame there has been almost an equal number of demolitions. This would seem to indicate that Wood-Ridge during much of this decade has been experiencing the "teardown" phenomenon, whereby existing residences are being demolished and replaced by larger homes.

The amount of non-residential development during this same time frame was also relatively modest. The total amount of new floor area added to the Borough's non-residential inventory, during this 1996 to 2004 time frame, was just under 47,000 sq ft. Exhibit 19 indicates how many sq ft were added each year. Based on available records, all of the construction that occurred during this time was in the miscellaneous or "Other" usage groups and consisted primarily of low end industrial and / or institutional type space. No retail or office space was constructed during this time

EXHIBIT 19
NON-RESIDENTIAL TRENDS IN SQ. FT. AND PERMITS ISSUED

Co's Per Use Group	96 Sq. Ft.	97 Sq. Ft.	98 Sq. Ft.	99 Sq. Ft.	00 Sq. Ft.	01 Sq. Ft.	02 Sq. Ft.	03 Sq. Ft.	04 Sq. Ft.
B-Office	0	0	0	0	0	0	0	0	0
M-Retail	0	0	0	0	0	0	0	0	0
Other	2004	4463	1164	375	26442	400	0	0	12000
Demolitions Per Use Group *									
B-Office	1	0	0	0	8	0	2	1	0
M-Retail	0	0	0	0	0	0	1	0	0
Other	25	17	19	31	23	6	1	0	2

* permits issued

Clearly, as Exhibit 19 depicts, except for 1999 and 2004, the amount of development was minimal. Also, most of the demolition permits did not actually involve the removal of existing floor area, so the

amount of net non residential floor space added is estimated to be in the 45,000 sq ft range or on average about 5,000 sq ft per year. This amount of development, based on accepted practices and estimates would have resulted in a relatively low growth share obligation, probably in the single digits.

Since 2004, during the time frame extending from 2005 to mid 2008, the amount of non residential development continued to be minimal. Specifically, 13, 468 sq ft of educational space was added and 9,671 sq ft of office space was constructed and occupied. And during that same time frame several demolition permits were issued under the office, educational and storage categories.

In summary, the records show that since 1996, the amount of development activity in the Borough has been minimal, a reflection of the Borough's characteristic of fully developed community.

7.4 RESIDENTIAL GROWTH PROJECTIONS 2004-2018

Projecting the amount of residential growth that will occur in the Borough between 2004 and 2018 must take into consideration a number of factors many of which were discussed in Section 2.3 of this document. In general, the residential development potential throughout most of the Borough is limited. There are virtually no individual residential building lots left in the Borough and the amount of vacant acreage is minimal

However, during the last several years, the Borough has begun to see some creative efforts but developers to create new building lots via the subdivision of existing oversized lots. The Borough Planning Board has been vigilant in connection with these types of proposals that have often involved variance requests as well. Consequently, it is doubtful that many new residential units will be created via this approach.

Likewise, most of the structures in the R2 – Two Family Zone are currently being used for that purpose and the conversion of existing single family homes to two family structures, in the R1 district, would require a use variance approval – an approval which in Wood-Ridge is difficult to obtain. So, it is unlikely that any new units will be added to

the Borough housing stock that are part of new two family structures. Finally, as already noted the R3 districts, in the Borough, are fully developed and it is doubtful that any of those properties would be the subject of any redevelopment activity in the foreseeable future.

However, although the development potential in most of the Borough is limited, the previously mentioned Wesmont Station project will, of course, have a major impact on the amount of residential development added to the Borough. As of the date of this document, 788 units have been approved as part of the Wesmont project. The proposed units will consist of single family detached residences, townhouses and flats in mid rise buildings. The scale and scope of this project is something that is new to the Borough and it is difficult to say, especially in today's troubled housing market, how long it will take the marketplace to absorb this project in its entirety. The site is still being prepared, as of the date of this document, and construction has not actually begun on any of the proposed buildings. However, the local approvals are in place and the implementation of Phase 1 of the project is still moving ahead. Whether or not, however, the project will be fully completed by 2018 is an unknown. It is also not clear what this project will do in terms of limiting any development or redevelopment in other parts of the Borough. It can be argued, and the argument is a reasonable one, that given the magnitude of the Wesmont project and the impact it will have on the marketplace, as well as the constraints associated with other properties in the community, there will be no other projects of any significant size that will be proposed in the Borough in the foreseeable future. The only residential construction, that is likely to occur outside of the Wesmont project, will be limited to "infill" type projects and in many cases such projects will simply be replacing older obsolete structures with new, larger residences. The end result, in such cases, will be a zero net increase in the number of housing units in the Borough

So, exclusive of the Wesmont project, the anticipated residential growth between 2004 and 2018 will probably not exceed 2 net (new units minus demolitions) units per year and will be the result of isolated lot construction or minor subdivisions. This projection takes into consideration previous projections, as well as the recent trends, as documented by the Borough's records. Consideration has also been given to a slight increase in the amount of CO activity from 2005

to mid 2008. However, the amount of activity is expected to slow in 2009 and beyond, partly in connection with the “cooling off” and nearly complete collapse of the housing market, plus the competition that will result from the first Wesmont Station units becoming available. The Borough then, at this time, accepts the COAH projection of 249 market rate units, which anticipates the partial completion of the Wesmont project by 2018 and a modest amount of infill development during that same time frame. The Borough’s affordable housing obligation, then, resulting from residential development will be based on that number.

7.5 NON RESIDENTIAL GROWTH PROJECTIONS 2004-2018

The amount of non-residential development expected to occur within the Borough between 2004 and 2018, will almost certainly be much less than the amount of residential development that will occur and as already stated less than the COAH projections. Again, lack of vacant land and other constraints, as discussed in section 2.3, will have a significant impact on the amount of non-residential development that will be possible.

The COAH projection of 1,940 new jobs by 2018 as stated previously is completely unrealistic. The trend in recent years, as documented in section 7.3, clearly disputes this figure. As already noted, the Borough, being primarily a residential community, is not a likely location for a substantial amount of non-residential development. Although it is acknowledged that some non residential development may occur, it will probably be almost exclusively retail but might include some limited office and industrial development – with the industrial development being of a nature that will employ few people.

Currently, there are only three commercial projects that have been approved within the last three years – a proposed car wash and oil change facility consisting of approximately 4,000 sq ft., a small retail facility of less than 2,000 sq ft and a 100 room hotel on Route 17. Each of these projects are commercial uses and the number of jobs associated with each will be small.

Beyond the aforementioned projects, the potential for future non residential development in the Borough’s non residential zones is

limited because those zones, as already noted, are fully developed. There may be some redevelopment of selected properties within these zones but there is no way to predict where or when such redevelopment activity will take place.

That leaves the Wesmont project as the only other job producing project. It will have a non residential component associated with it, which will consist primarily of office and retail uses.

The amount of floor area associated with this non residential component is as follows:

- Retail – 74,375 sq ft
- Office –15,360 sq ft

However, the Wesmont project will also result in the demolition of 54,230 sq ft of retail space and 30,000 sq ft of industrial space. So, the amount of new non residential floor space will be offset by the amount of floor space to be demolished. There is, however, a new 60,000 sq ft school proposed, as part of the Wesmont project, which, by itself, will generate an affordable housing obligation of 2 units.

So, it is the Borough's position that a job growth figure of 100 is a reasonable one considering the actual amount of non-residential development that has occurred in recent years and what is known about the limited number of approved, pending and anticipated projects that may be implemented in the future.

8.0 THE FAIR SHARE OBLIGATION

8.1 OVERVIEW UNDER THE REVISED THIRD ROUND RULES

The Borough's Fair Share Obligation, as previously noted, is cumulative and is composed of three parts: 1) the rehabilitation share 2) the prior round share (1987-1999) and 3) the growth share. Furthermore, as noted again, the Borough had never formally petitioned COAH for substantive certification under the prior round rules, although there were discussions with COAH about the Borough's obligation. Consequently, the Borough is still obligated to address both its rehabilitation share and its prior round obligation, as modified by the provisions of the revised Third Round Rules. Finally, it also needs to be mentioned that the Borough filed a housing plan under the original Third Round Rules in March of 2007 and anticipated that sometime within the next two years and certainly by March of 2009, the Borough would petition for substantive certification. This document is now being prepared to meet the 12/31/08 deadline recently enacted by COAH. But the Borough's position is that the 12/31/08 deadline does not apply to Wood-Ridge because the revised Third Round Rules do not supersede the previous two year window within which the Borough would have been allowed to petition for substantive certification

8.2 THE REHABILITATION SHARE OBLIGATION

The Borough's rehabilitation share under the Second Round Rules was determined to be 42 units. However, the rehabilitation share obligation, as determined by the original Third Round Rules, took into consideration the data available from the 2000 census regarding substandard housing and specifically incorporated into the COAH formula, housing units built before 1940. The new rehabilitation share number for the Borough was then calculated to be 30 units. However, under the revised Third Round Rules, the formula was changed to include housing units built prior to 1950, instead of 1940. Consequently, this change and others has resulted in the Borough's rehab obligation increasing to 61.

8.3 THE PRIOR ROUND SHARE OBLIGATION

Under the provisions of the Second Round Rules, the Borough's prior round obligation was determined to be 33 units. Under the original Third Round Rules, the prior round obligation was reduced to 28. This reduction was the result of the prior round obligation being recalculated by COAH based primarily on the data available from the 2000 census. Now, with the COAH formula being revised yet again, the Borough's prior round obligation is now 38.

8.4 THE GROWTH SHARE OBLIGATION

The Third Round Rules have abandoned the approach, utilized in the prior rounds, of assigning specific affordable housing obligation numbers for each municipality. Instead, the growth share approach determines a municipality's obligation based on the amount of anticipated growth – both residential and non residential – and ultimately on the actual amount of growth that occurs.

The growth share formula, as now revised, is relatively simple and is divided into two parts – residential and non residential. First, in terms of the residential component, for every four “market rate” housing units built in a municipality between 2004 and 2018, one affordable housing unit is required. This 5:1 ratio can be addressed in a variety of ways according to the provisions of the Third Round Rules.

With respect to the second part of the growth share obligation – the non-residential development component – the obligation is based on the number of new jobs created. For every sixteen new jobs, one affordable unit is required. This 16:1 ratio is applied to the amount of new floor space associated with each use group – i.e. offices, retail uses, factories etc. COAH requires that a use group chart, adopted as part of the Third Round Rules, be utilized to determine the specific number of new jobs that will be generated by the amount of new development in each use group.

Many of the same strategies that can be used to address the obligation generated by the amount of residential development can also be used to address the obligation caused by the amount of new non-residential development. Based on the projections contained in section 7.0 of

this document, the **growth share obligation** that the Borough must address for the period ending January 1, 2018 has been calculated to be 171. This figure is divided between the obligation generated by the amount of new residential development - 50 units and the obligation generated by the amount of new non-residential development - 121 units.

In summary then, the Borough's Third Round pre credited need obligation, as per COAH's revised Third Round Rules is as follows:

Rehabilitation Share –	61 Units
Prior Round Share –	38 Units
Growth Share	<u>171 Units</u>
Total	270 Units

9.0 THE FAIR SHARE PLAN

9.1 OVERVIEW

The Fair Share Plan for Wood-Ridge is based on the affordable housing obligation, as just identified in Section 8.0 of this document. The Fair Share Plan, as outlined herein and as required by statute, specifies the projects, strategies and funding sources that will be employed to address the Borough's affordable housing obligation. This section is divided into the following components:

- The Rehabilitation Share Strategy
- The Prior Round Share Strategy
- The Growth Share Strategy
- The Administrative and Procedural Issues
- The Fair Share Plan Summary

It should also be noted here that the Borough and the developer of Wesmont Station have been parties to litigation initiated by The Fair Share Housing Center in 2007. A settlement agreement was reached and executed in 2008 with respect the aforementioned litigation and that agreement has had some impact on the structure and contents of this document. The provisions of that agreement are included herein by reference and the agreement itself is included as an appendix. To this document.

9.2 THE REHABILITATION SHARE STRATEGY

As noted earlier in this document, (Section 8.2), the Borough's relatively modest rehabilitation obligation of 30 units as determined by the original Third Round Rules has increased to 61. Although the Borough has never operated a housing rehab program, Borough residents have been eligible for funds available through the Bergen County Home Improvement Program. As already noted, according to the 2000 census data and the revised formula being used by COAH, it is estimated that 61 units in the Borough may be in need of rehabilitation at that time. Since that time (4/1/00), according to Bergen County's records, home rehab funds have been made available to two income eligible households. Consequently, the Borough's

rehab obligation will be reduced to 59 units based on the aforementioned credits to which the Borough is entitled. Exhibit 20 lists the address for each rehabilitated unit that has utilized Bergen County funds and the amount of funds expended.

EXHIBIT 20
REHABILITATED UNITS

<u>Address</u>	<u>Amount</u>	<u>Date</u>
• 612 Anderson Ave	\$ 11,200	7/9/02
• 554 Anderson Ave	\$ 17,500	7/24/01

In order to meet the remainder of its rehab obligation, the Borough will initiate a program aimed at aggressively identifying eligible households that can take advantage of the home improvement funds that are available from Bergen County. In addition, a Borough operated housing rehab program will be established that will provide funds to eligible recipients. The funds for that program will be made available via the municipal budget and will adhere to the regulations established by COAH for such programs. The initial amount that will be dedicated for that purpose will be \$ 300,000.

9.3 THE PRIOR ROUND SHARE STRATEGY

Section 8.3 discusses the prior round obligation of the Borough and the fact that under the third round rules that obligation was originally reduced from 33 to 28 units but has risen again to 38, based on the revised Third Round Rules formula

The units that are part of the prior round obligation will be addressed via the following strategy, with part of that strategy connected to an agreement with the developer of Wesmont Station:

- **Seven units** from the Wesmont project, will be used to satisfy part of the prior round obligation. All of them will be rental family units and by using the 2:1 rental bonus provision, applicable to the prior round obligation, which applicable to a maximum of 9 units ($.25 \times 38 = 9.5$) these 7 units will generate **14 credits** for the Borough. These units will be located in several mid rise apartment structures,

located on the west side of the Wesmont project site and were the subject of a preliminary and final approval by the Borough Planning Board in 2008.

- In return for assisting Wood-Ridge with its prior round obligation, as well as being mindful of the new impacts associated with the growth share obligation, the Borough Council and Planning Board have agreed to a density adjustment of approximately one additional unit per acre in connection with the Wesmont project. This will then allow a maximum of 788 units to be built at the Wesmont site. The prior unit total for the project was 737. This density adjustment will essentially be achieved by adding another level to several of the mid rise apartment buildings, that are proposed to be part of the Wesmont complex. No changes are anticipated to any building footprint or to any other components of the site plan, except for some possible changes to the design of one or more of the parking areas. The next update of the Borough Master Plan or the next Master Plan Reexamination Report, will reflect this change.
- Previously, the Borough proposed to address the remainder of the prior round obligation via an RCA with the City of Garfield. Since that option is no longer available, the Borough is considering addressing the remaining twenty four unit obligation as follows:
 - A cooperative agreement with a local non profit agency to establish at least two group homes**8 credits**
 - A revised agreement with the developer of Wesmont Station to incorporate additional units in an area adjacent to Wesmont Station now used for industrial purposes, by amending the overlay zone for that area which currently allows multi family residential development. Alternatively the Borough is investigating revising the developer's agreement with Wesmont to incorporate age restricted rental Units in an amended Phase 1 of the project...**16 credits**
 - If the above referenced options are not feasible the Borough will pursue a 100% affordable age restricted project.

9.4 THE GROWTH SHARE STRATEGY

As already noted earlier in this document, the data available from the Borough relative to approved and future projects, plus projections from several years ago published by a regional planning agency, as well as established development trends from the last ten years or more, indicate that the amount of growth that would normally have been expected to occur in Wood-Ridge, between 2004 and 2018, would have been minimal.

However, there is no question that the Wesmont Station project will add substantial growth to the community at some point in the future. Unfortunately, with the problems associated with the real estate market and other unexpected delays encountered by the developer in attempting to secure all non local approvals, it is not clear at this time how many years will be needed for all phases of the Wesmont project to be completed. Nevertheless, the Borough and the developer of Wesmont are committed to addressing the obligation created by Wesmont, via on-site units, either within Wesmont Station itself or on properties adjacent to it.

So, the Wesmont generated obligation has been calculated to be 150 affordable units based on the following analysis:

- Total # of units.....788
- # of market rate units associated with the prior
round obligation..... - 40
- # of growth share related market rate units... 748

Applying the 5:1 ratio, the affordable housing obligation associated with the residential portion of Wesmont then is, as already noted 150 units. This obligation is solely due to the residential portion of the project. It is the position of the Borough that the non residential portion of the project creates no obligation because the amount of floor area to be demolished equals or exceeds the amount of new non residential floor area.

With respect to the residential component of the project, in the first phase, the previously mentioned settlement agreement with the Fair Share Housing Center allows for the construction of 500 market rate

units and at the same time requires the construction of 80 affordable units. Phase 1, by itself, will of course generate an obligation of 100 affordable units, leaving the remaining 50 unit obligation associated with the total project to be addressed either in later phases of the project, via credits from Phase 1 or on adjoining properties owned by the Wesmont developer.....or a combination of all three approaches.

All of the 80, Phase 1 affordable units will be rental, non age restricted family units. However, 7 of those units, as already noted, are being used in connection with the Borough's prior round obligation. So, the remaining 73 affordable units will generate the following credits toward the Borough's growth share obligation:

- Total # of affordable rental units.....73
- Minimum # of rental units ($150 \times .25 = 37.5$)...38 (one credit each)
- 73 minus 38 = 35 units eligible for 2:1 bonus
- 35×2 70 credits
- Units eligible for only one credit..... + 38 credits
- Total 108 credits

So, Phase 1 will generate a surplus of 8 units that can be applied to the remainder of the obligation generated by Wesmont, thereby leaving 42 affordable units to be addressed via options mentioned earlier and still under review and still to be negotiated with the developer of Wesmont Station.

With respect to the limited number of affordable units, associated with the remainder of the Borough's growth share obligation – that portion not attributable to Wesmont – is estimated to be 15 units, based on the current estimates of residential and non residential development that can be expected between 2004 and 2018, as further clarified in the following paragraph .

The Borough, as already stated, rejects the excessive number of new jobs (1,960) that COAH projects will be located within the Borough by 2018. Based on what is known about future projects, the Borough contends that a more realistic number is 100 or less, thereby generating an affordable housing obligation of approximately 6 units. Furthermore, as already noted, it is not expected that the non – Wesmont residential development in the Borough will be significant

during that time frame. Specifically, it is anticipated that 30 or less new market rate units, not associated with Wesmont, will add to the Borough's obligation, thereby producing an obligation of 6 affordable units. So, the non residential and non Wesmont residential activity will probably not produce an affordable housing obligation in excess of 15 units.

This portion of the Borough's obligation will be addressed via, one or more, small "infill" type projects to be located within the already developed portion of the Borough as follows:

The 15 units, will be addressed by pursuing the redevelopment and / or adaptive reuse of one or more properties. One such property, the Board of Education offices located Union Ave and Humboldt Street will offer an opportunity with respect to affordable housing, once the Board of Education relocates their offices. It is not certain if the existing building would be rehabilitated for that purpose and an addition constructed or whether it would be better to demolish it and build a new structure. Regardless of which option is chosen, it is estimated that 35 to 40 units could be accommodated on the site, of which at least several could be affordable.

Another option which the Borough is considering, would involve purchasing one or more existing multi family structures in the Borough and converting them to affordable units, either through a "buy down" program or by using some other COAH approved mechanism. Finally, there is also the possibility that the Borough will encourage the development of one or more group homes, as may also be done in connection with the Borough's prior round obligation

The Borough also intends to enact two ordinances to assist with its growth share obligation and any future rehab requirement. First a Development Fee Ordinance will be enacted in accordance with COAH's regulations. This fee ordinance will probably be limited to small, new residential construction and all commercial and industrial projects. In addition, a Growth Share Ordinance will be enacted for the purpose of requiring the provision of "on site" affordable units that would be required in connection with residential and mixed use projects that are not anticipated but which may be approved in the future. The two ordinances would be structured so that any given project would be required to meet the provisions of one ordinance or the other but not both. Furthermore, the Wesmont project would be specifically exempt from the provisions of both ordinances.

In summary then, the Borough's growth share obligation will be primarily addressed by the developers of the Wesmont project, since that project will be responsible for the bulk of the Borough's obligation between 2004 and 2018. The minimal remainder of the growth share obligation, for this same time period, will be addressed by the Borough as just described.

9.5 THE ADMINISTRATIVE AND PROCEDURAL ISSUES

The Borough of Wood-Ridge acknowledges that as part of its affordable housing program it will be necessary to establish a mechanism to promote and monitor the availability of affordable units within the Borough. Toward that end, the Borough will enact the necessary ordinances related to its affordable housing program that will ensure that any such units are affirmatively marketed and that affordability controls are enforced in accordance with the provisions of the Fair Housing Affordability Controls Act NJAC 5180-26.1 et seq.

The Borough will administer the housing rehabilitation program and will monitor the progress of the other provisions of the Fair Share Plan, in house, utilizing the expertise of a designated employee, on a part time basis, and supplemented as needed by consulting services. The anticipated staff and consultant costs will be funded by the funds generated by the proposed Development Fee Ordinance.

9.6 THE FAIR SHARE PLAN SUMMARY

In summary, COAH has indicated that Wood-Ridge Borough is expected to meet the following obligation by 2018 and its Housing Plan and Fair Share Plan must address these numbers:

Rehabilitation Share –	61 Units
Prior Round Share –	38 Units
Growth Share –	<u>171 Units</u>
Total	270 Units

However, the Borough believes the total obligation will be less than 270. Specifically, although there is no dispute about the rehab and prior round numbers, the growth share number is believed to be

excessive. Even if all of Phase 1 of Wesmont is completed by 2018, that will only generate an obligation of 100 affordable units. That number coupled with the obligation (15 units) associated with a more realistic estimate of non Wesmont growth, results in a total growth share obligation of 115 units and a total obligation of 184 units, still a significant number but far less than the 270 projected by COAH.

A variety of COAH approved mechanisms and credits, as described herein, then, will be used to address that number between now and 2018. The intent is to seamlessly incorporate most of these units primarily into the Wesmont Station project and in other parts of the Borough, where applicable, so that they are truly part of the community.

In short, as evidenced by the strategy outlined herein, the Borough of Wood-Ridge fully embraces its obligation, and will move expeditiously to make the affordable units that will satisfy the Borough's obligation, a reality at the earliest possible date.